

ST. MARY PARISH ASSESSOR**FINANCIAL REPORT**

Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/22/11

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet - Governmental Fund	8
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	9
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities	11
Notes to the Financial Statements	12 - 25
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	27
Schedule of Funding Progress - Other Postemployment Benefits	28
INTERNAL CONTROL AND COMPLIANCE	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30 - 31
Summary Schedule of Prior Year Findings	32
Schedule of Findings and Questioned Costs	33
Management's Corrective Action Plan for Current Year Findings	34



Darnall, Sikes, Gardes Frederick.

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Deceased 2009

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, II, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Pamela Mayeux Bonin, CPA, CVA
Joan B. Moody, CPA
Erich G. Loewer, III, CPA, M.S. Tax
Lauren V. Hebert, CPA
Barbara Ann Watts, CPA
Craig C. Babineaux, CPA/PFS, CFP®
Jeremy C. Meaux, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Jarrod K. Longman, Assessor
St. Mary Parish Assessor
Franklin, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Mary Parish Assessor (Assessor), a component unit of the St. Mary Parish Council, as of and for the year ended December 31, 2010, which collectively comprise the Assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Assessor's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Assessor as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2011, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Kathleen T. Darnall, CPA
Dustin B. Baudin, CPA, MBA
Kevin S. Young, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA
Carol C. Guillory, CPA
Christy S. Dew, CPA
Cecelia A. Hoyt, CPA
Blaine M. Crochet, CPA, M.S.
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA
Jacob C. Roberie, CPA
S. Luke Sommer, CPA
Kyle P. Saltzman, CPA
Elise B. Fauchaux, CPA

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

www.dsfcpas.com

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedule of funding progress related to other postemployment benefits on pages 27 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The management's discussion and analysis is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. However, management did not include this information in the financial statements for the fiscal year ended December 31, 2010.

Darnall, Sikes, Gaudes & Frederick
(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
May 26, 2011

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. MARY PARISH ASSESSOR

Statement of Net Assets
December 31, 2010

ASSETS

Current assets

Cash and cash equivalents	\$ 635,363
Investments	607,979
Taxes receivable (net of allowance for uncollectible taxes)	1,499,736
Due from other governmental units	656
Prepaid expenses	<u>15,768</u>

Total current assets 2,759,502

Capital assets

Equipment and furniture	571,740
Accumulated depreciation	<u>(499,090)</u>

Total capital assets, net of accumulated depreciation 72,650

Other assets

Deposits	1,524
Other postemployment benefit asset	<u>8,178</u>

Total other assets 9,702

TOTAL ASSETS \$ 2,841,854

LIABILITIES

Current liabilities

Accounts payable	\$ 4,324
Accrued liabilities	555
Deferred revenues	<u>1,599,800</u>

Total current liabilities 1,604,679

NET ASSETS

Invested in capital assets	72,650
Unrestricted	<u>1,164,525</u>

TOTAL NET ASSETS 1,237,175

TOTAL LIABILITIES AND NET ASSETS \$ 2,841,854

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Statement of Activities
Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,089,480	\$ 11,575	\$ -	\$ -	\$ (1,077,905)
General Revenues:					
					1,374,435
Ad valorem taxes					52,723
State revenue sharing					9,721
Interest and investment earnings					
Total general revenues					1,436,879
Change in net assets					358,974
Net assets - beginning					878,201
Net assets - ending					\$ 1,237,175

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ST. MARY PARISH ASSESSOR

Balance Sheet
Governmental Fund
December 31, 2010

	<u>General Fund</u>
ASSETS	
Current assets	
Cash	\$ 65,752
Interest-bearing deposits, at cost	569,611
Investments	607,979
Taxes receivable (net of allowance for uncollectible taxes)	1,499,736
Due from other governmental units	<u>656</u>
Total current assets	2,743,734
Other assets	
Deposits	<u>1,524</u>
TOTAL ASSETS	<u>\$ 2,745,258</u>
LIABILITIES AND FUND BALANCE	
Current liabilities	
Accounts payable	\$ 4,324
Accrued liabilities	555
Deferred revenue	<u>1,599,800</u>
TOTAL LIABILITIES	1,604,679
Fund balance	
Unreserved	<u>1,140,579</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,745,258</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2010

Total fund balance - governmental fund \$ 1,140,579

Total net assets reported for governmental activities in the
Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the fund. 72,650

Prepaid expenses involve the payment of obligations that are
attributable to fiscal periods beyond the end of the current
fiscal year with current financial resources. 15,768

Other assets, which include other postemployment
benefit assets, are not financial resources and, therefore,
are not reported in the fund. 8,178

Net assets of governmental activities \$ 1,237,175

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Governmental Fund
Year Ended December 31, 2010

	<u>General Fund</u>
Revenues	
Taxes - ad valorem	\$ 1,374,435
Intergovernmental -	
State revenue sharing	52,723
Miscellaneous -	
Interest on deposits	9,721
Other	<u>11,576</u>
Total revenues	1,448,455
Expenditures	
Current -	
General government:	
Taxation	<u>1,076,790</u>
Excess of revenues over expenditures	371,665
Fund balance, beginning	<u>768,914</u>
Fund balance, ending	<u>\$ 1,140,579</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended December 31, 2010

Net change in fund balance - governmental fund \$ 371,665

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental fund reports capital outlays as expenditures, however,
in the Statement of Activities, the cost of those assets is allocated
over their estimated useful lives and reported as depreciation expense.
This is the amount of depreciation in excess of capital outlay in the
current period. (31,111)

Certain expenditures of the governmental fund involve the payment
of current financial resources for obligations attributable to fiscal
periods following the close of the current fiscal period. The portion
of payments for insurance coverage and software maintenance
contracts attributable to periods after December 31, 2010 are
classified as prepaid expenditures in the Statement of Net Assets.
This is the difference between prior year and current year accruals. 8,117

Other postemployment benefit assets are not current financial resources
and, therefore, are not recorded as fund income. 10,303

Change in net assets of governmental activities \$ 358,974

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the St. Mary Parish Assessor (Assessor) is elected by the voters of St. Mary Parish (Parish) and serves a term of four years. The Assessor assesses all real and movable property in the Parish subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers of the Parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies.

The Assessor's office is located in the St. Mary Parish Courthouse in Franklin, Louisiana. The Assessor employs 17 employees, including 16 deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector, who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2010, there are 28,862 real property and movable property assessments totaling \$211,829,168 and \$428,091,433, respectively.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

As the governing authority for the Parish, for reporting purposes, the St. Mary Parish Council (Parish Council) is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary government (Parish Council), (b) the organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and/or

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council provides office space to the Assessor and the significance of the relationship between the Assessor and the Parish Council, the Assessor was determined to be a component unit of the Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Government-wide and Fund Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. Both the government-wide and the fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses having a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues of the Assessor include fees and charges paid by the recipients for goods or services offered by the Assessor's office, such as tax roll preparation and making copies of various reports. Taxes and items not properly included among program revenues are reported as general revenues.

A separate financial statement is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to the taxpayers. Other major revenues that are considered susceptible to accrual include intergovernmental revenues and interest on investments.

The Assessor has the following fund type:

Governmental Fund --

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources; uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Assessor:

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Assessor and accounts for the operation of the Assessor's office. Compensation is received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908 and ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

Budgets

The Assessor uses the following budgetary practices:

1. A proposed budget for the fiscal year is prepared prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. After a public hearing is held and all action necessary to finalize and implement the budget is completed, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Assessor.
6. All budgetary appropriations lapse at the end of each fiscal year.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Fair Values of Financial Instruments

The Assessor applies the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. See Note 11 for details on fair values used for entity assets and liabilities.

Capital Assets

All capital assets purchased or acquired with an original cost of \$1,000 or greater for furniture and \$5,000 or greater for equipment are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment and Furniture

5 Years

Deferred Revenue

Property taxes collected at December 31, 2010 that are not available to finance operations of the current period are reported as deferred revenues and are recognized as operating revenues in the subsequent period.

Compensated Absences

Employees of the Assessor's office earn from five to twenty-five days of vacation leave each year based on length of service. Vacation leave must be used in the year earned. A maximum of six weeks of sick leave is allowed for maternity and/or surgery. Additional sick leave may be granted at the discretion of the Assessor. Sick leave is not accrued.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The Assessor uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate.

Subsequent Events

The Assessor has evaluated subsequent events through May 26, 2011, the date the financial statements were available to be issued.

Net Other Postemployment Benefit Obligations

The Assessor applies the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This pronouncement requires the Assessor to calculate and recognize a net *other postemployment benefit* (OPEB) obligation or asset at year end. The net OPEB obligation or asset is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since January 1, 2009. See Note 8 for further details.

NOTE 2 LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
Assessment District	2.81	2.81

Total taxes levied during 2010 were \$1,593,043. Taxes receivable at December 31, 2010 consists of \$1,514,526 for the 2010 assessment, of which 0.98 percent or \$14,790 is considered uncollectible.

(The remainder of this page is intentionally left blank.)

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 2 LEVIED TAXES (CONTINUED)

Following are the principal taxpayers for the parish:

	Type of Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Cameron International Corp.	Oil & Gas	\$ 17,172,627	3.35%
Oceaneering International, Inc.	Oil & Gas	12,487,720	2.44%
PHI, Inc.	Oil & Gas	11,731,308	2.29%
Gulfport Energy	Oil & Gas	10,796,257	2.11%
Cleco Power LLC	Public Utility	10,760,080	2.10%
Cabot Corporation	Spec. Chemicals	10,174,399	1.98%
Steel Service Oilfield	Oil & Gas	9,021,732	1.76%
Columbian Chemicals Company	Spec. Chemicals	8,060,706	1.57%
Transocean Offshore	Oil & Gas	7,923,895	1.55%
Swift Energy Operating, LLC	Oil & Gas	<u>6,912,437</u>	<u>1.35%</u>
		<u>\$ 105,041,161</u>	<u>20.48%</u>

NOTE 3 CASH AND CASH EQUIVALENTS

At December 31, 2010, the Assessor has cash and cash equivalents (book balances) totaling \$635,363 as follows:

Cash on hand	\$ 100
Demand deposits	65,652
Money market accounts	<u>569,611</u>
Total	<u>\$ 635,363</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2010, the Assessor has \$666,993 in deposits (collected bank balances). These deposits are secured from risk by \$347,382 of federal deposit insurance and \$1,653,118 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 INVESTMENTS

The Assessor can invest in securities of the United States Government, unless such an investment is expressly prohibited by law. The carrying amounts and approximate market values of investments are summarized as follows:

		December 31, 2010		
		Market Value/ Carrying Amount		Cost
Description	Interest Rate			
General Fund				
Louisiana Asset Management Pool	Various	\$ 607,979		\$ 607,979

In accordance with GASB Codification Section I150.165, the investment in the Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balance. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130, or by calling (504) 525-5267.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Equipment and Furniture</u>
Capital assets:	
Cost - December 31, 2009	\$ 571,740
Additions	-
Deletions	<u>-</u>
Cost - December 31, 2010	571,740
Depreciation:	
Accumulated depreciation - December 31, 2009	467,979
Additions	31,111
Deletions	<u>-</u>
Accumulated depreciation - December 31, 2010	<u>499,090</u>
Capital assets, net of accumulated depreciation	<u>\$ 72,650</u>

NOTE 6 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2010 consisted of the following:

Mapping project reimbursement:

Recreation District # 2	<u>\$ 656</u>
-------------------------	---------------

(The remainder of this page is intentionally left blank.)

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN

Plan Description –

Substantially all employees of the Assessor's office are members of the Louisiana Assessor's Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive of joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding Policy –

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary, and the Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirement of plan members and the Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Assessor's contributions to the System for the years ending December 31, 2010, 2009, and 2008 were \$133,355; \$80,129; and \$73,872; respectively. The contributions for 2008 and 2009 are equal to the required contributions for each year. In 2010, the Assessor also made the required contributions of plan members in lieu of a pay raise.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, should be associated with the periods in which the cost occurs, rather than in the future year in which it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009, the Assessor recognizes the cost of postemployment healthcare in the year in which the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Assessor's future cash flows. Because the Assessor adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description

The Assessor provides continuation of healthcare benefits to those retired employees who reached the normal retirement age while employed by the Assessor. The plan is a multiple-employer defined benefit healthcare plan administered by the Insurance Committee of the Assessors' Insurance Fund dba Louisiana Assessors' Association. The Insurance Committee of the Assessors' Insurance Fund has the authority to establish and amend the benefit provisions of the plan. The plan issues a publicly available financial report. That report may be obtained by writing to Louisiana Assessors' Insurance Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898, or by calling (800) 925-4446.

Funding Policy

The benefits for retirees and similar benefits for active employees are provided through Gilsbar, Inc. with the monthly premiums being paid solely by the Assessor. The Assessor recognizes the cost as expenditure when paid during the year. The benefits are financed on a pay-as-you-go basis.

Annual Other Postemployment Benefit Cost

The Assessor's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation:

Annual required contribution	\$ 93,235
Interest on net OPEB obligation	85
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	93,320
Less contributions made	<u>103,623</u>
Change in net OPEB obligation (asset)	(10,303)
Net OPEB obligation (asset) - beginning of year	<u>2,125</u>
Net OPEB obligation (asset) - end of year	<u>\$ (8,178)</u>

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation (Asset)
12/31/2009	\$ 93,235	97.7%	\$ 2,125
12/31/2010	93,320	111.0%	(8,178)

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the Assessor has elected to implement prospectively. Therefore, only one year of prior year comparative data is available. In future years, three-year trend information will be presented.

(The remainder of this page is intentionally left blank.)

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 1,012,232
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,012,232</u>
Funded ratio (actuarial value of plan assets / AAL)	0.00%
Covered payroll (active plan members)	\$ 559,216
UAAL as a percentage of covered payroll	181.01%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Assessor's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because 2009 was the year of implementation of GASB Statement No. 45 and the Assessor elected to apply the statement prospectively, only two years are presented in the schedule at this time.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the January 1, 2009 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions utilized a 4.0% discount rate. The valuation assumes medical cost

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

inflation of 6.5 % for 2009 trending downward to 4.5% after the seventy-sixth year and dental cost inflation of 5.8% for 2009 trending downward to 4.0% after the thirteenth year.

NOTE 9 EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

The Assessor's office is located in the St. Mary Parish Courthouse. The maintenance of the courthouse is paid by the St. Mary Parish Council.

NOTE 10 RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Assessor is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended December 31, 2010. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

NOTE 11 FAIR VALUE MEASUREMENTS

The Assessor applies the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the inputs used to develop those assumptions and measure of fair value. The hierarchy requires the District to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing methods, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The following methods and assumptions were used by the Assessor in estimating fair values of financial instruments as disclosed herein:

Cash and cash equivalents, investments, receivables, accounts payable, accrued liabilities, and deferred revenues –The amounts reported in the accompanying Statement of Net Assets approximate fair value due to their short-term nature.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARY PARISH ASSESSOR

Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes - ad valorem	\$ 1,368,918	\$ 1,446,862	\$ 1,374,435	\$ (72,427)
Intergovernmental -				
State revenue sharing	53,283	52,428	52,723	295
Other	-	2,328	-	(2,328)
Miscellaneous -				
Interest on deposits	9,200	12,812	9,721	(3,091)
Other	<u>9,000</u>	<u>7,653</u>	<u>11,576</u>	<u>3,923</u>
Total revenues	1,440,401	1,522,083	1,448,455	(73,628)
Expenditures				
Current -				
General government:				
Taxation -				
Personal services and related				
benefits	843,733	880,930	901,637	(20,707)
Operating services and supplies	135,700	101,203	101,881	(678)
Legal and professional fees	60,000	59,034	35,926	23,108
Materials and supplies	30,200	26,073	24,364	1,709
Travel and seminars	<u>12,000</u>	<u>14,016</u>	<u>12,982</u>	<u>1,034</u>
Total expenditures	<u>1,081,633</u>	<u>1,081,256</u>	<u>1,076,790</u>	<u>4,466</u>
Excess of revenues over expenditures	358,768	440,827	371,665	(69,162)
Fund balance, beginning	<u>809,653</u>	<u>768,914</u>	<u>768,914</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,168,421</u>	<u>\$ 1,209,741</u>	<u>\$ 1,140,579</u>	<u>\$ (69,162)</u>

ST. MARY PARISH ASSESSOR

Schedule of Funding Progress – Other Postemployment Benefits
Year Ended December 31, 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
1/1/2009	\$ -	\$ 1,012,232	\$ 1,012,232	0.00%	\$ 501,189	201.97%
1/1/2009 *	-	1,012,232	1,012,232	0.00%	559,216	181.01%

* - In accordance with GASBS No. 45, a valuation is not required to be performed every year. The covered payroll amount has been updated for the year ended December 31, 2010.

**INTERNAL CONTROL
AND
COMPLIANCE**



Darnall, Sikes, Gardes Frederick.

(A Corporation of Certified Public Accountants)

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Jarrod K. Longman, Assessor
St. Mary Parish Assessor
Franklin, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the St. Mary Parish Assessor (Assessor), a component unit of the St. Mary Parish Council, as of and for the year ended December 31, 2010, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated May 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the the Assessor's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Eugene H. Darnall, CPA, Deceased 2009

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Pamela Mayeux Bonin, CPA, CVA
Joan B. Moody, CPA
Erich G. Loewer, III, CPA, M.S. Tax
Lauren V. Hebert, CPA
Barbara Ann Watts, CPA
Craig C. Babineaux, CPA/PFS, CFP®
Jeremy C. Meaux, CPA

Kathleen T. Darnall, CPA
Dustin B. Baudin, CPA, MBA
Kevin S. Young, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA
Carol C. Guillory, CPA
Christy S. Dew, CPA
Cecelia A. Hoyt, CPA
Blaine M. Crochet, CPA, M.S.
Rachel W. Ashford, CPA
Veronica L. LeBlau, CPA
Jacob C. Roberie, CPA
S. Luke Sommer, CPA
Kyle P. Saltzman, CPA
Elise B. Fauchaux, CPA

Member of
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

www.dsfcpas.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the St. Mary Parish Assessor, the St. Mary Parish Council, the Louisiana Legislative Auditor, management, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Dannall, Sikes, Gaudes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
May 26, 2011

ST. MARY PARISH ASSESSOR

**Summary Schedule of Prior Year Findings
Year Ended December 31, 2010**

There were no findings noted during the prior year audit.

ST. MARY PARISH ASSESSOR

Schedule of Findings and Questioned Costs
Year Ended December 31, 2010

Part 1: Summary of Auditors' Results

FINANCIAL STATEMENTS

Auditors' Report – Financial Statements

An unqualified opinion has been issued on the St. Mary Parish Assessor's financial statements as of and for the year ended December 31, 2010.

Internal Control Deficiency – Financial Reporting

There were no significant deficiencies in internal control over financial reporting noted during the audit.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended December 31, 2010.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

There were no findings noted during the audit.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At December 31, 2010, the St. Mary Parish Assessor did not meet the requirements to have a single audit in accordance with OMB Circular A-133; therefore, this section is not applicable.

ST. MARY PARISH ASSESSOR

**Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 2010**

There were no findings noted during the audit.